

MARKETBEATS



2.0 msf
MALL SUPPLY
EXPECTED BY 2020

13.4%
MALL VACANCY
IN Q4 2018

7.1%
GROWTH IN RENTALS IN
THANE SUB-MARKET MALLS

WHAT'S NEXT

HIGHLIGHTS

Reduced vacancies in select malls

An absence of new completions and moderate leasing in select malls during the quarter, resulted in a marginal reduction in vacancy levels. Mall vacancy was recorded as 13.4% in Q4 2018. F&B and apparel sectors continued to lead the leasing activity during the quarter. Key mall transactions included Westside and Splash leasing 37,000 sf and 11,000 sf, respectively - both in Phoenix Marketcity in Kurla and Miniso leasing 5,500 sf in Inorbit Mall, Vashi.

Main street leasing gained momentum

There was improved momentum in main streets' leasing activity during the quarter with F&B occupiers like Bayroute, Huber Holly, Poetry Café etc. expanding in Juhu and Powai main streets and Kalyan Jewellers leasing space in Andheri West high street. Prominent main street locations like Bandra, Juhu, Powai etc. continue to see good enquiries from retailers and are expected to see transaction activity going forward as well.

Rents remained stable

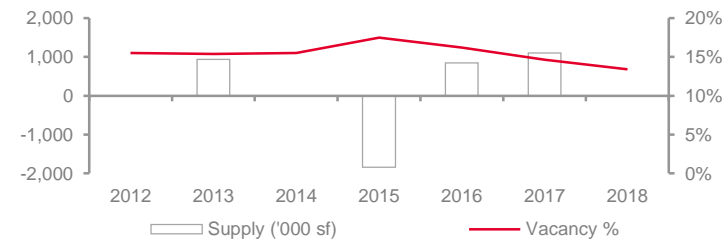
Mall rentals remained stable across most submarkets during the quarter. However, Thane recorded a rise in rentals mainly due to limited vacancies in quality malls and renewals occurring at 10-15% higher than the older rents. In near future (2019-20) with upcoming luxury malls in BKC and Worli submarkets we are likely to see a rise in rents in these locations. Select main street locations are also expected to see rental growth in the near future as they continue to see sustained demand from retailers.

ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	6.2%	7.6%	7.2%
CPI Growth	3.3%	4.5%	5.0%
Consumer Spending	5.9%	7.5%	7.3%
Government Final Consumption Expenditure	14.2%	2.6%	16.6%

Source: Cushman & Wakefield Research

MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research

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PRIME RETAIL RENTS – MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Linking Road	780	117	133	0.0%	0.0%
Kemps Corner/ Breach Candy	430	64	73	0.0%	0.0%
Colaba Causeway	625	93	106	0.0%	0.0%
Fort Fountain	390	58	66	0.0%	1.3%
Lokhandwala Andheri	400	60	68	0.0%	0.0%
Borivali LT Road	400	60	68	0.0%	0.0%
Chembur	390	57	65	0.0%	2.6%
Vashi	360	54	61	0.0%	0.0%
Thane	260	39	44	0.0%	0.0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Lower Parel	880	132	150	0.0%	1.1%
Link Road (Andheri W)	410	60	68	0.0%	2.5%
Malad	470	70	80	0.0%	0.0%
Goregaon	490	73	83	0.0%	0/0%
Kandivali	200	30	34	0.0%	0.0%
Kurla	180	27	31	0.0%	0.0%
Ghatkopar	260	39	44	0.0%	-3.7%
Bhandup-Mulund	125	19	21	0.0%	0.0%
Vashi	350	52	60	0.0%	0.0%
Thane	300	42	48	7.1%	7.1%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 70.5063 AND € = INR 80.2829

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Phoenix Market City	Kurla	Westside	37,000
Inorbit Mall	Vashi	Miniso	5,500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Maker Maxity Mall	BKC	500,000	Q1 2019
Oberoi Oasis Mall	Worli	500,000	Q4 2020
Reliance Mall	BKC	350,000	Q2 2020

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